



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Aaron Gornstein, Undersecretary

**Massachusetts Department of Housing and Community Development
Emergency Solutions Grant
DRAFT Substantial Amendment to Consolidated Plan 2011 Action Plan**

Declaration of HUD FY 2011 ESG Grant Fund Assistance

Activity Type	Obligated Amounts of 2011 ESG Grant
Homeless Assistance	\$1,690,576.52
Homelessness Prevention	\$768,730.48
Administrative Activities	\$129,437.00
Total FY 2011 ESG	\$2,588,744.00

1. SF-424

To be attached

2. Summary of Consultation Process

The Department of Housing and Community Development (DHCD) has consulted with and solicited input from each of the 20 Massachusetts Continua of Care regarding:

- A. How to allocate ESG funds for eligible activities;
- B. Performance standards for activities funded through ESG; and
- C. Funding, policies and procedures for the operation and administration of the Homeless Management Information System (HMIS).

A. Consultation with each Continuum of Care regarding how best to allocate ESG funds for eligible activities

DHCD staff have been in regular contact with CoCs and ESG Entitlement cities since before the Interim Rule was published to lay the groundwork for statewide coordination and encourage CoCs to work with their ESG entitlement communities in an effort to coordinate the funding of ESG programs between the state and local ESG grantees to address the CoC's most critical needs. These conversations were frequent and have informed the prioritization process.

On February 3, 2012 DHCD convened a statewide meeting of Continua of Care (CoC), ESG entitlement communities, Regional Networks, the Veteran's Administration, and state funding agency representatives to identify the most critical gaps in service delivery to homeless persons. The meeting was well attended. DHCD began the meeting by presenting the larger context of furthering the move toward a housing first-focused homeless response system in Massachusetts. DHCD then reviewed each of the eligible activity components under the new Emergency Solutions Grant and solicited commentary on funding priorities that would support but not duplicate activities already funded by the state.

DHCD and meeting participants agreed that DHCD would follow up with an ESG Implementation Questionnaire which would allow participants time to solicit additional input from CoC memberships and others. The ESG Implementation Questionnaire was distributed electronically and had a section for CoCs and Regional Networks to complete and an additional section for jurisdictions which include ESG entitlement communities. The Questionnaire specifically asked each CoC:

- Whether and how each CoC had coordinated with its membership and any ESG entitlement cities in their jurisdiction to inform this process (as well as the appropriate Interagency Council on Homelessness Regional Network);
- To identify its most critical unmet need within the new eligible ESG activities, rapid re-housing/prevention, and;
- To briefly describe the eligibility criteria each would use to prioritize participants.

In addition to the above consultations, the ESG project manager met with the HPRP manager and staff in the HomeBASE program to identify best practices and lessons learned. HomeBASE is the Commonwealth's state funded homeless diversion and rapid re-housing program for homeless families.

Ultimately, DHCD determined its planned funding allocations based on input received from all 20 CoCs balanced against the need to assist populations that are less well-served with current state homeless assistance resources. DHCD discussed with the CoCs the fact that the Commonwealth already uses state funds to fund HomeBASE which provides homeless diversion services at the shelter front door and Rapid Re-Housing for families unable to be diverted before entering shelter. Therefore it made more sense for DHCD to focus the ESG resources on Rapid Rehousing for individuals and Homeless Prevention for families.

DHCD had initially proposed using \$1.3 million of its ESG grant for Rapid Re-Housing of homeless individuals. However, analysis of the CoC surveys showed that the nine CoCs requesting Rapid Re-Housing funds actually served 80 percent of the Commonwealth's homeless individuals while the ten CoCs requesting Homeless Prevention funds served about 30 percent of the family homeless population. Based on this input, DHCD increased its planned allocation for Rapid Re-Housing for individuals and decreased the allocation for Homeless Prevention for families.

Another example of the impact of consultation and collaboration was DHCD's initial plan to focus Prevention resources on at-risk families with incomes between 0 and 15% of Area Median Income (AMI). DHCD increased its focus to families up to 30% of AMI based on the needs identified by providers currently providing Homeless Prevention Services to this population. Yet another example relates to coordination with an Entitlement City; when discussing how best to coordinate the city ESG funds with the CoC's request for DHCD funds, one of the cities decided to go back out to bid again to refocus its funds on Rapid Re-Housing for individuals so the CoC could request DHCD's ESG funds for Homeless Prevention for Families.

These allocations of ESG funds form the basis of a competitive Request for Responses (RFR) that will be the sole procurement vehicle for all activities funded under DHCD's ESG Grant. DHCD also agreed to aggregate all the input received during the consultation process and make it available to all planning partners.

B. Consultation with each CoC regarding performance measurement standards for the various eligible activities

At the February 3 meeting DHCD proposed specific measurement standards for each ESG component that would assist CoCs in using ESG funds in support of reducing shelter length of stay, reducing the number of people that would need to enter shelter and in re-housing homeless individuals more quickly. The ESG Questionnaire repeated the performance measurements discussed at the meeting and requested input and/or alternative measurements for each. The vast majority of CoCs agreed with the performance measurements discussed at the meeting.

C. Consultation with each CoC regarding funding, policies, and procedures for the operation and administration of the Homeless Management Information System (HMIS) in implementing the new Emergency Solutions Grant

There was discussion at the February 3 meeting regarding ESG participation in HMIS. DHCD, however, is currently the lead

agency administering HMIS for the majority of CoCs at no cost to users or CoCs for participation. Policies, procedures, data sharing protocols, and written agreements are already in place. Two CoCs and a fairly small number of (non-domestic violence) service providers use a different HMIS software and will be required to provide monthly data uploads securely to DHCD's HMIS if they receive ESG funds as DHCD sub-recipients. ESG funded sub-recipients will for the most part be entering data into their local CoC's HMIS and DHCD's HMIS software provider has committed to establishing a functional data sync between all of the HMIS systems using its HMIS software. This will eliminate the need for most providers and CoC's to provide secure monthly uploads.

DHCD does expect to incur substantial additional HMIS costs in adding ESG sub-recipients to its HMIS, particularly in the areas of:

- Training (including new user training, administrator training, and reporting training)
- Additional staff costs in data quality monitoring and reporting
- Software licenses and system help-desk activities

3. Summary of Citizen Participation Process

A. Summary of citizen participation process used

DHCD is complying with its existing Citizen Participation Process by taking the following steps to encourage and facilitate citizen participation:

- Scheduling two Public Hearings. One to be held in Worcester in the central part of the state and one in Boston proximate to the majority of stakeholders and easily accessible by public transportation and accessible by a short walk from family and individual homeless shelters and day programs.
- Advertising the ESG Public Hearings 14 days in advance of the hearings, including information on how to access the ESG Substantial Amendment, in the following newspapers: Boston Globe, Worcester Telegram and Gazette, Springfield Republican, Lowell Sun and the New Bedford Standard Times;
- Posting the Notice of Public Hearings and the Draft Substantial Amendment on DHCD's website, and providing hard copies to city halls and libraries in major cities across the state;
- Distributing an informational notice about the availability of ESG funding, the Draft Substantial Amendment to its Consolidated Plan, and the ESG Public Hearing to well over one hundred organizations, including but not limited to:
 - Emergency shelters for families and unaccompanied adults;
 - Current and former ESG and CoC funded organizations;
 - Advocacy groups;
 - Law enforcement agencies;
 - Regional Housing Agencies;
 - ESG Entitlement Communities;
 - Local Housing Authorities;

- 20 Continua of Care;
 - State and federal agencies providing housing and/or services to homeless and/or at-risk people for distribution to their own mailing lists; and
 - All individuals and organizations requesting information on ESG funds; and
- DHCD is providing a 30 day public comment period regarding the Draft Substantial Amendment to the Consolidated Plan 2011 Action Plan. After the public comment deadline, DHCD will incorporate into the final ESG Substantial Amendment both:
 - 1) A summary of the public comments received; and
 - 2) A summary of the public comments received but not accepted, if any, and the reasons not accepted.

B. Summary of the public comments received

C. Summary of the public comments received and not accepted and the reasons for not accepting those comments

4. Match

Describe types of cash and/or non-cash resources used as match

DHCD will provide the following state matching funds for the ESG funds. DHCD plans to retain (HMIS and Administrative Costs) and plans to award the following to successful respondents to its competitive ESG procurement: Shelter Support, Rapid Re-Housing and Homeless Prevention.

Component	Match Amount	Source: Use of Match
HMIS	\$182,817	<p>DHCD: \$98,847 in state matching funds are expected to be available July 1, 2012 through a state appropriation which funds DHCD's current contracted costs with its software vendor for DHCD funded homeless service providers operating emergency shelters for both homeless families and individuals. These contracted costs HMIS user software, software technical support, and minor programming edits; back up, recovery and repair of data and minor data field customizations for a variety of purposes; and the ESG proportionate share of contracted costs for: servers, completing data uploads, and other HMIS administrative activities.</p> <p>DHCD: \$83,970 in state matching funds will also be available July 1, 2012 through the state appropriation which funds DHCD's administrative costs, including: .75 FTE to document new and revised ESG HMIS procedures; HMIS security and other documentation requirements; obtain participation/data sharing agreements from new ESG users; convening, staffing and establishing governance for an ESG User sub-committee of the HMIS Steering Committee; DHCD will also provide in-house training</p>

		for ESG HMIS staff on the use of HMIS for ESG; DHCD and HUD reporting requirements for ESG; and will provide equipment and software for existing ESG assigned staff activities.
Administrative Costs	\$421,762	<p>DHCD: \$363,270 in state matching funds are expected to be available July 1, 2012 through the state appropriation funding DHCD's administrative costs including: the existing 3.15 FTE's assigned to handle current ESG activities. These staff include the following positions: ESG contract manager, contract specialist, budget analyst, finance manager, federal program manager and accounts payable staff, plus fringe, training, equipment (hardware and software), overhead, space, and other ESG eligible costs incurred in the administrative management of ESG. The primary functions of these staff are developing DHCD's Request for Responses, managing the competitive procurement process, executing contracts and amendments with vendors, managing provider invoicing and payments through the state accounting and payment system, MMARS, performing IDIS activities, and ensuring the accurate and timely draw down of ESG funds after reconciliation with MMARS. DHCD plans to use the \$100,000 under ESG which does not need to be matched under this component.</p> <p>DHCD: \$58,492 in state matching funds are expected to be available July 1, 2012 through the state budget appropriation which will support \$46,661 for contracted staff (McKinney Vento Specialists) to assist DHCD in meeting its obligations under the ESG Interim Rule. The remaining ESG match from this account will be \$11,831 which will be used for in house training of existing staff assigned to ESG on both HMIS and the ESG Interim Rule and for equipment and software needed by these staff to access HMIS and track their activities under ESG.</p>
Shelter Support	\$8M	<p>DHCD: Funds allocated by the MA legislature on July 1, 2012 to DHCD for FY'13 are expected to be in excess of the FY'12 line item of \$34M for Homeless Individual Emergency Shelters Account. These funds support the operating costs and shelter staffing for the 3,058 individual shelter beds which DHCD funds. DHCD's ESG Shelter Support dollars are focused on those beds primarily for homeless individuals which are not funded by DHCD or another state or federal funding source. The ESG funded beds are generally emergency beds which are needed on a nightly basis but which are beyond the shelter's funded capacity. Until the ESG competitive procurement Shelter Support award decisions identify which emergency shelters will receive ESG shelter support funds, it is impossible to specify the exact amount of state funds available to emergency shelters which become ESG sub-recipients. The state match amount provided by DHCD in support of ESG funded shelter operations and staffing is expected to exceed \$8 M in DHCD match.</p>
Homeless Prevention For Families	\$94M	<p>DHCD: HomeBase Funds allocated by the MA legislature on July 1, 2012 are expected to be in excess of the FY'12 line item of \$43M to prevent homeless families from needing to enter an emergency shelter. These funds plus \$8M for the Residential Assistance for Families in Transition (RAFT) are expected to be available as match to ESG Homeless Prevention For Families.</p>
Rapid Re-Housing	\$2.2M	<p>DHCD: House 1, the Governor's proposed budget for July 1, 2012 includes a line item for Housing First which has been increased to</p>

		\$1.9M for Rapid Rehousing of chronically homeless individuals from emergency shelters. In addition, \$100,000 from the Individual Homeless Shelter Account state appropriation will be match in the form of the physical space needed for Rapid Rehousing staff to work in shelters. Another \$200,000 from the same account will provide match in the form of salaries paid by DHCD to existing shelter case management staff to make referrals for and maximize the income of homeless individuals in emergency shelters who are ESG participants.
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ESG sub-recipients are also required to provide documentation of match from the source of match for ESG eligible activities in the following forms:

- Cash
- Value or fair rental value of any donated material or building to be used by the Respondents proposed ESG program in the proportion of the space to be used for ESG.
- Value of a building lease needed to house the ESG program can be used as match in proportion to the percent of the building used for ESG occupancy.
- Space, telephones, furniture, secretarial, clerical support, computers, HMIS costs for the program if any, supervisory time spent on specific client cases, if they are not included in the ESG funding may be used as match. In addition other direct and indirect administrative/overhead costs not included in the budget.
- Salaries paid to staff to carry out the program for which ESG funds are requested.

5. Proposed Activities and Overall Budget

Component	Planned Allocation
<i>Street Outreach</i>	<i>None</i>
<i>Emergency Shelter Renovation</i>	<i>None</i>
<i>Emergency Shelter Conversion</i>	<i>None</i>
<i>Shelter Support (Operations/Essential Services)</i>	<i>\$1,949,400</i>
<i>Rapid Re-Housing and Stabilization</i>	<i>\$2,000,000</i>
<i>Homelessness Prevention</i>	<i>\$1,704,652</i>
<i>HMIS</i>	<i>\$182,817</i>
<i>Administration</i>	<i>\$521,762</i>
<i>Emergency Solutions Grants Subtotal</i>	<i>\$6,358,631*</i>

* Includes carry-over funds

A. Proposed Activities. All recipients must include the following details for each proposed activity:1) Corresponding priority needs from recipient's Annual Action Plan

2) Concise description of the activity, including the number and types of persons to be served

3) Corresponding standard objective and outcome categories

4) Start date and completion date

5) ESG and other funding amounts

All activities funded under ESG will address Objective #3 from the Commonwealth of Massachusetts 2011 Annual Action Plan:

“Reduce chronic and family homelessness through a housing-based approach.”

DHCD will shortly issue a Request for Responses (RFR) to implement the first year of expects contracts with sub-recipients to begin on July 1, 2012 with funds from both the Second Allocation of FFY 2011 and FFY 2012 funds. These contracts will last for 12 months.

Proposed Combined Budget for FY11 Second Allocation and FY’12 ESG Allocation

Activity: Homelessness prevention for families and individuals

The primary target population for this activity is **families who are at risk of homelessness**. Specifically, ESG funding in this area will be focused on families who are currently housed but are facing eviction (as evidenced by a writ of summary process). Because additional state HomeBase resources are being provided for family prevention and diversion, the ESG funding will be targeted toward the highest-risk families who are not already eligible for state-funded Emergency Assistance (EA). In response to CoC input DHCD will also allow sub-recipients to use up to 20 percent of their sub-grant under this category to serve **individuals also at risk of losing their housing**. Please see Sections 5b and 6 for details on how ESG funding fits into a larger continuum of resources, as well as more specific targeting criteria.

DHCD plans to allocate **\$1,704,652** in funding for these activities from its Second Allocation of 2011 and 2012 ESG funds. To ensure that all of a CoC’s prevention programs work together DHCD has decided to set aside up to **\$200,000 of this total** for eligible housing court-based Tenancy Preservation Programs which have agreed to support the network of prevention programs within a particular CoC’s Response. This funding will complement significant state resources; the state is projected to provide \$51,000,000 in support in State Fiscal Year 2012 for HomeBase and RAFT homeless prevention and diversion programs. These are described further in Section 5b.

Funding provided in this area will support the following activities:

- Short/medium-term rental and utility assistance, including arrears
- Security deposits
- Mediation and legal services
- Direct staff costs related to homelessness prevention
- Other innovative homelessness prevention activities

These activities will advance the standard objective of **Decent Housing**, and the standard outcome of **Sustainability**. Given the limit on assistance of \$4,000 per household (see Section 6 – Written Standards), DHCD projects serving a maximum of 376 households between its Second Allocation (2011) and 2012 ESG Prevention funds. The actual number of households served will vary because sub-recipients will have some flexibility to use their funds in the most effective and efficient way to prevent homelessness and stabilize families.

Activity: Rapid re-housing for individuals

The target population for this activity is **individuals who are currently residing in emergency shelter**. DHCD plans to allocate **\$2,000,000** in ESG funding for these activities from its Second Allocation of 2011 and 2012 ESG funds. In the absence of HPRP funding, the main source of current funding to serve this population is the Home and Healthy for Good program, a state-funded Housing First program for chronically homeless individuals and the state funded special population set-aside for subsidies serving homeless DHCD individuals. Therefore, ESG funds will fill a critical gap. Funding provided in this area will support the following activities:

- First months’ rent
- Last months’ rent
- Security deposit

- Rental application fees
- Utility deposit/payments
- Moving costs
- Rental assistance through a shallow subsidy

These activities will advance the standard objective of **Decent Housing**, and the standard outcome of **Availability/Accessibility**. Given the limit on assistance of \$4,000 per household (see written standards), DHCD projects serving a maximum of 500 individuals with Second Allocation (2011) and 2012 ESG rapid re-housing funds. The actual number of households served will vary because sub-recipients will have some flexibility to use their funds in the most effective and efficient way to re-house and stabilize program participants.

Activity: Shelter Supports

Funding provided in this area will focus on 1) shelter operations, and 2) housing plan related case management services for shelter residents. DHCD expects to make awards under this category for operating costs incurred providing unfunded individual or family “community beds” that are open to all people who are in need of emergency shelter. Community beds are defined as beds that are funded through local, regional and/or statewide private fund raising, charitable donations, and/or through private foundations and for which no state or federal funds are received. Community beds are primarily in individual shelters but may be in a family emergency shelter as well. Shelter Support funding will be focused toward sub-recipients who are moving to a Housing First model. It is DHCD’s intent that ESG funds will support staff positions that assist shelter guests to develop a housing plan which includes increasing their income and gaining access to other benefits, with the end goal of increased success in stabilizing them in permanent housing.

DHCD plans to allocate **\$1,949,400** in funding for these activities, all from its 2012 ESG allocation. These funds will complement a substantial amount of state funding; the Commonwealth of Massachusetts funds the vast majority of emergency shelters within the state. The state operates 52 family shelters statewide which serve approximately 2,023 families each night and pays for temporary accommodations in hotels and motels for an additional 1,450 families per night. Historically, the bulk of the ESG Shelter Support requests are from individual shelters who don’t want to turn people away when they have reached their funded capacity. The majority of these programs are among the 39 individual shelters, with a total of 3,058 beds with projected state funds of more than \$34M in SFY’13. DHCD expects, based on historical data that it will provide approximately \$8M in matching shelter operations and staff support to ESG funded shelters in FY’13.

These activities will advance the standard objective of **Decent Housing**, and the standard outcome of **Availability/Accessibility**.

Local governments and territories are required, and States are encouraged, to include the following details for each proposed activity:

6) One or more performance indicators

DHCD proposes the following two performance indicators for sub-recipients funded under ESG:

- Number of households prevented from losing their housing through eviction
- Number of individuals re-housed from emergency shelter and/or places not meant for human habitation

7) Projected accomplishments, in accordance with each indicator, to be made within one year

With available resources, DHCD projects that homelessness prevention can be achieved for up to 500 households within one year; actual numbers served will depend on ESG sub-recipients’ targeting strategies, the amounts of funds and/or staff they can add to the

program through matching funds, as well as the unique needs of families and individuals. DHCD projects that up to 376 households can be re-housed within one year; again, actual numbers served will depend on ESG sub-recipients' targeting strategies and program designs, as well as individual needs. This number does not include individuals re-housed through the efforts of staff funded through Shelter Support funds.

8) Projected accomplishments, in accordance with each performance indicator, to be made over the period for which the grant will be used for that activity

Grants will be made to sub-recipients for 12 months; therefore, the projected accomplishments in this section should match those proposed in the previous section.

b. Discussion of Funding Priorities

Explain why the recipient chose to fund the proposed activities at the amounts specified (Recommended: if available, use locally-relevant data to support the funding priorities, and explain how the funding priorities will support the national priorities established in *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*).

DHCD chose its funding levels for different activities based on priority populations identified by each CoC (process described in Section 2 above). Because shelter services had already been procured statewide (partially supported by the first ESG FY 2011 allocation) and to reflect HUD's emphasis on prevention and re-housing, DHCD decided to direct 100 percent of its FY 2011 allocation to new activities.

Because the second allocation of FY 2011 ESG funds is available at one time only, DHCD initially chose to focus this money toward prevention and Rapid Re-Housing. DHCD had initially proposed using approximately \$1.3 million of its ESG grant for Rapid Re-Housing of homeless individuals in an effort to assist individual shelters to help residents access housing through short term upfront payments. However, analysis of the CoC surveys showed that the nine CoCs prioritizing Rapid Re-Housing funds actually serve 80 percent of the Commonwealth's homeless individuals. The ten CoCs requesting Homeless Prevention funds served about 30 percent of the family homeless population. Based on this input, DHCD increased its planned allocation for Rapid Re-Housing for individuals to \$2 M and decreased its allocation for Homeless Prevention for families.

Furthermore, DHCD proposed to limit Homeless Prevention funding to at risk families, but based on input from several CoCs requesting further flexibility to meet local needs, DHCD has agreed to provide the option to CoCs to use a limited amount of ESG Homeless Prevention funds (20 percent) to serve individuals at risk of homelessness.

Initially DHCD had proposed to CoCs that Homeless Prevention funds be limited to families with incomes that ranged from 0 to 15% of AMI based on data that 80% of the families currently in MA emergency shelter placements have income at these levels. Again CoCs requested that they be allowed the flexibility to determine the income range between 0 and 30% of AMI that would best serve the needs of their local jurisdiction and DHCD agreed to increase the maximum income to 30% of AMI.

These funding priorities fit within the larger context of an emerging homelessness prevention and assistance continuum in Massachusetts. DHCD funds a large network of temporary emergency shelter programs which serve approximately 2,000 homeless families each night, not including the current 1,460 families in temporary hotel/motel placements, and serves approximately 3,000 homeless individuals each night. The Commonwealth has established a myriad of Housing First initiatives throughout the state to further its efforts to move this emergency shelter system to a Housing First system. As part of this paradigm shift, DHCD has implemented a new architecture to address homelessness by placing attention on the "four doors" of the emergency shelter system. These "doors" serve as metaphors for critical program services that include: 1) diversion at the front screen door; 2) shelter entry at the front door; 3) rapid re-housing at the back door; and 4) stabilization at the back screen door.

The initiatives that support this architecture include:

- Continued state funding of the 10 Regional Networks, which were instituted through the Massachusetts Interagency Council on Housing and Homelessness (ICHH) to develop more

coordinated efforts on preventing and ending homelessness;

- HomeBASE program, which acts as a diversion from shelter and provides rapid re-housing services through short-term up-front financial assistance;
- Project-based Massachusetts Rental Voucher Program (MRVP) vouchers that are targeted to families with significant barriers to housing stability and include case management services;
- Home and Healthy for Good (HHG) program, which is based upon a significant paradigm shift in addressing the costly phenomenon of individual chronic homelessness through a Housing First model, and a new pilot program for SFY 13 which will convert emergency shelter beds into housing instead;
- Residential Assistance for Families in Transition (RAFT), a state-wide homelessness prevention program that provides short-term financial assistance to low-income families who are homeless or at risk of becoming homeless.

Combined, these initiatives are helping to move the Commonwealth's Response to homelessness from a shelter focus to a housing focus. The new ESG program offers a valuable opportunity to advance a housing-oriented approach to address the crisis of homelessness – continuing some of the successful initiatives developing community-wide prevention and rapid re-housing strategies already funded by the Commonwealth. In particular, ESG prevention assistance for families and individuals will complement the above initiatives and allow DHCD to serve a larger and more widely targeted population. With regard to individuals, ESG funding will fill a critical gap in services helping homeless individuals currently residing in Emergency Shelter to move quickly into permanent housing. In this case, the larger goal is systems change to transition the state shelter system to a housing first response model. The chart below shows the resources that are available at each stage of the homeless prevention and assistance continuum. Programs listed are state resources, while the role of ESG is highlighted in bold.

	Prevention	Diversion	Shelter	Re-Housing	Stabilization
Individuals	ICHH	ICHH	State Shelter Funding and ESG	HHG Public Housing DMH homeless vouchers at DHCD and ESG	HHG ESG
Families	ICHH HomeBASE RAFT ESG	ICHH HomeBASE	State Emergency Assistance (EA) ESG	HomeBASE Public Housing MRVP	HomeBASE MRVP ESG

DHCD's funding priorities support several objectives of the *Opening Doors* strategic plan. Clearly they advance the goal of providing affordable housing to people experiencing or most at risk of homelessness. In addition, the system-wide coordination described above also advances the goal of retooling the homeless crisis response system and moving it toward a focus on preventing homelessness and rapidly returning people who experience homelessness to stable housing. This has been a statewide policy priority for several years now, and ESG resources will provide critical support to make this type of system a reality.

Identify any obstacles to addressing underserved needs in the community.

Lack of resources remains the main obstacle in effectively serving these underserved populations.

c. Detailed Budget

Include detailed budget of planned activities and funding levels accounting for the entire second allocation and any reprogrammed funds from the first allocation

FY 2011 Detailed Budget Table, with Example Data*					
Allocation #1	\$2,588,744.00	FY 2011 Emergency Shelter Grants/Emergency Solutions Grants Program Allocations*			
Allocation #2	\$1,456,169.00				
Grant Amount	\$4,044,913.00				
Total Admin.	\$303,368.48				
		First Allocation		Second Allocation	Total Fiscal Year 2011
	Eligible Activities	Activity Amount	Reprogramme d Amount	Activity Amount	Activity Amount
Emergency Shelter Grants Program	Homeless Assistance	1,690,576.52	\$0.00		1,690,576.52
	Rehab/Conversion	\$0.00	\$0.00		\$0.00
	Operations	\$948,875.94	\$0.00		948,875.94
	Essential Services	\$741,700.58	\$0.00		741,700.58
	Homelessness Prevention	768,730.48	0		768,730.48
	Administration	\$129,437.00	0		129,437.00
	Emergency Shelter Grants Subtotal	2,588,744.00	0		2,588,744.00
Emergency Solutions Grants Program	Emergency Shelter**			\$0.00	\$0.00
	Renovation**			\$0.00	\$0.00
	Operation**			\$0.00	\$0.00
	Essential Service**			\$0.00	\$0.00
	URA Assistance**			\$0.00	\$0.00
	Street Outreach - Essential Services**			\$0.00	\$0.00
	HMIS		\$0.00	\$0.00	\$0.00
	Rapid Re-housing		\$0.00	1,346,956.32	\$1,346,956.32
	Hsg Relocation and Stabilization		\$0.00	1,346,956.32	\$1,346,956.32
	Tenant-Based Rental Assistance		\$0.00	\$0.00	\$0.00
	Project-Based Rental Assistance		\$0.00	\$0.00	\$0.00
	Homelessness Prevention			\$0.00	0.00
	Housing Relocation and Stabilization Services		\$0.00	\$0.00	\$0
	Tenant-Based Rental Assistance		\$0.00	\$0.00	\$0
	Project-Based Rental Assistance		\$0.00	\$0.00	\$0.00
	Administration			\$109,212.68	\$109,212.68
	Emergency Solutions Grants Subtotal		0.00	\$1,456,169.00	\$1,456,169.00
		Total Grant			\$4,044,913.00

	Amount:			
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6. Written Standards for Provision of ESG Assistance

If the recipient is a state: Include written standards for providing the proposed assistance or describe the requirements for sub-recipients to establish and implement written standards. The written standards must include:

a. Standard policies and procedures for evaluating individuals’ and families’ eligibility for assistance under ESG

ESG assistance is open to individuals and families in the Commonwealth who meet the definitions of homelessness or at risk of homelessness set forth in 24 CFR 576.2. All participants must also meet income eligibility criteria, i.e., income at or below 30 percent of area median income. Family ESG assistance is reserved for households with children under 21 or headed by a pregnant woman who meet the definition of at risk of homeless in 24 CFR 576.2.

Further criteria for providing prevention and rapid re-housing assistance are detailed in Part C below. Providers are responsible for eligibility determination, documentation of eligibility, and determining level of need of each program participant through an initial eligibility intake assessment prior to providing services with ESG funds. Participants must not be receiving the same type of financial assistance (i.e. prevention, re-housing, or stabilization) during the same time period from another Federal or State source.

b. Policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers

This coordination will be achieved in 2013 and beyond via an integrated intake/assessment and referral system under development in MA. Designed to provide housing-based solutions for eligible households using an integrated package of program options, and reserving family shelter placement for those families with literally no other place to go, the state’s Extremely Low-Income [ELI] Housing Continuum will provide coordinated placement and ongoing stabilization support through the state’s provider network, CoCs, and the MA Interagency Council Regional Networks. This commitment includes provision of significant state resources for both homeless prevention and diversion for families.

DHCD has determined that for ESG Homelessness Prevention Services to be successful, the program must be part of a larger network of prevention resources. As such, ESG sub-recipients must describe how they link to other homelessness prevention services programs within the sub-recipient’s CoC jurisdiction and applicable ICHH Regional Network. The sub-recipient must also detail how the prevention program will work with other mainstream organizations and legal services groups to support their ESG participants. Furthermore, Homelessness Prevention Services should be provided in close coordination with the DHCD Homeless Coordinators who may identify and refer families who would become homeless but for the ESG Homelessness Prevention Services.

In addition, State ESG officials will distribute information about changing Federal or State policies relevant to homeless families and individuals to all providers, Regional Networks, and CoCs in a timely manner. State officials will also attend local and regional gatherings on occasion, and will coordinate activities as appropriate in state-wide homelessness activities carried out by public and private sector organizations.

c. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance

1. Homelessness Prevention Assistance – Families/Individuals

Prevention assistance will be targeted to families at imminent risk of eviction. Sub-recipients will use standard intake/assessment forms intended to determine eligibility and also to highlight other strengths and/or challenges for the household. ESG Homeless Prevention funds may only be used to serve families who:

- Are currently housed and have received a writ of summary process
- Are a party to a written lease or oral lease agreement between the individual and a property owner which can be documented
- Are not eligible for Commonwealth of Massachusetts Emergency Assistance (EA). EA eligibility criteria can be found at 106 CMR: 309.020. These standards are posted at www.mass.gov/dta and may be viewed by selecting the *Program Eligibility Charts and Tables* link under Key Resources.
- Have income at or below 30% of Area Median Income (AMI); and
- Meet at least one of the following criteria:
 - Prior episode of homelessness in an emergency shelter
 - History of foster care involvement
 - History of domestic violence
 - Presence of an adult or a child or youth with a diagnosed disability including mental illness or substance use disorder

Prevention services may also be secondarily targeted toward housed individuals for the purposes of eviction prevention. These services would focus on intervention and/or financial assistance as needed to prevent an imminent episode of homelessness.

In addition to the above, priority for receiving homelessness prevention assistance will be targeted to households with characteristics associated most closely with families who indeed become homeless, based on past state experience with this population. During the operating year DHCD will analyze state-wide and local/regional data to identify more specific characteristics of households that literally become homeless, in order to target these resources more effectively in 2013 and beyond.

2. Rapid Re-Housing assistance – Individuals

Rapid Re-housing assistance will be targeted to living in an emergency shelter or a place not meant for human habitation. For purposes of these written standards, Emergency Shelter:

- Does not include Transitional Shelter Programs or Transitional Housing
- Is a shelter where the shelter guest does not have to meet specific criteria other than being homeless with no place else to go
- Is a shelter where the guests do not have to sign an occupancy agreement or program participation agreement to access the shelter
- Is a shelter where the average length of stay is less than 90 days

Priority for assistance will fall into two primary categories:

- Individuals with income, or near-term prospects for increased income, sufficient to retain housing with security and stability, and;
- Individuals with medical/behavioral vulnerability such that re-housing assistance and associated supportive services will act as a bridge between homelessness and obtaining permanent supportive/affordable housing.

As envisioned by the Commonwealth, homelessness prevention and rapid re-housing resources will be administered through coordinated, regional/local service delivery systems. It is important to note that rapid re-housing for *families* is indeed a top priority for the Commonwealth, and as such, considerable state resources have already been dedicated for this purpose.

d. Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving

homelessness prevention or rapid rehousing assistance

For both prevention and rapid re-housing activities, participants will be provided a fixed amount of assistance, up to a maximum of \$4,000 per household per 24 months. ESG sub-recipients may be flexible within these maximum's regarding the amount of rental and utilities assistance they provide and the share that participants are required to pay.

e. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time

As noted above, Massachusetts is limiting ESG assistance to \$4,000 per household per 24 months, whether the assistance is for homelessness prevention or for rapid re-housing. Within that limit, sub-recipients can choose to make the assistance available in various forms, including as assistance for one-time costs such as first and last month's rent and/or security deposit or in the form of monthly rent supplements. Program participants receiving project-based rental assistance must have a lease that is for a period of one year, regardless of the length of the rental assistance, per 24 CFR 576.106 (i)(5).

f. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participants receives assistance; or the maximum number of times the program participants may receive assistance

Families and individuals depending on their circumstances will require different levels of assistance to help them stabilize and build economic stability. Therefore, DHCD will work with its sub-recipients, other CoCs, HomeBase providers, RAFT providers and other local state and federal organizations working with the same households in an effort to develop a standard assessment tool that will be as simple as possible, but adaptable by programs for conducting an assessment of families' needs upon program entry in order to prioritize services. This assessment can include factors such as housing history, moving options, physical and mental health/disabling conditions, length and episodes of homelessness, stability of income, and availability of family supports.

Sub-recipients, depending on the other resources available to them for prevention may have flexibility in deciding the extent and type of assistance that will best help households maintain their tenancies. However, sub-recipients when using ESG funds may not authorize any assistance to households other than immediate emergency shelter, prior to obtaining all of the required documentation specified in the interim rule,

Standards Related to Homelessness Prevention

Eligible costs for prevention include the following:

- Financial Assistance paid to a third party, such as a property owner/manager, utility company, etc., on behalf an eligible household for rent and/or a utility arrearage which would otherwise result in the loss of housing. There must be a utility bill in the name of the head of household or a family member who resides in the unit.
- Security deposit up to no more than two months' rent and/or first/last months' rent paid on behalf of a housed household whose tenancy cannot be preserved provided that the security deposit or first/last month rent for the household is not available to them through other sources.
- Mediation programs or legal services to resolve landlord/tenant disputes.
- Direct service staff costs required to prevent eligible households from losing their housing and becoming homeless.
- Other innovative programs and activities designed to prevent households from losing their housing and becoming homeless.

This "innovative" assistance could include practical items such as furniture, kitchen items, etc. It could also include payment of debts

such as extraordinary medical bills if such assistance will allow a family to retain their housing. Providers may also consider requests for one time payments for items that help a family to maintain or increase their income to prevent homelessness or increase housing stability. Such items may include drivers' license renewals, and necessary car repairs, or transportation and/or childcare expenses at a licensed childcare provider – for a participant who requires these items to continue working. This may also include relocation assistance, which may be paid only once. Finally, providers may offer budget planning or related economic self-sufficiency services to help resolve housing instability. These examples are meant to be illustrative only and are not exhaustive.

The dollar amount of assistance should correspond to the specific requirement for staying in place, moving, or establishing a new tenancy, up to a maximum of \$4,000 per household within 24 months. Participants must not be receiving the same type of financial assistance (i.e. prevention, re-housing, or stabilization) during the same time period from another Federal or State source. Providers must re-evaluate participants' eligibility and the types and amounts of prevention assistance needed not less than once every 3 months, in accordance with 24 CFR 576.401(b). Except as provided for housing stability case management in 24 CFR 576.105(b)(2) of the Interim Rule, no program participant may receive more than 24 months of assistance in a 3-year period.

Standards Related to Rapid Re-housing Assistance

Eligible costs for rapid re-housing include the following:

- First months' rent
- Last months' rent
- Security deposit
- Rental application fees
- Utility deposit/payments
- Moving costs
- Rental assistance through a shallow subsidy

Providers must conduct an initial eligibility intake and assessment to determine eligibility and level of need. Re-evaluations of each program participants' eligibility and the types and amounts of assistance the program participant needs must be conducted not less than annually for participants receiving rapid re-housing assistance, in accordance with 24 CFR 576.101(b).

7. Describe Process for Making Sub-awards

Before an ESG Request for Responses (RFR) is posted, a notice of pending funding availability is issued through notification of state agencies' provider networks and through the Commonwealth's Internet Comm-PASS system. The RFR is then posted in its entirety on Comm-PASS with instructions for how to submit a Response requesting funds. State regulations require that between the two postings they are in place for a minimum of 45 days.

Responses to the ESG RFR are received at DHCD, logged, and are first reviewed to determine if they meet the minimum qualification requirements specified in the RFR. All qualified responses are then evaluated by an ESG Selection Committee. There are generally multiple Selection Committees needed for the ESG RFR because of the volume of responses historically received. Each Selection Committee comprises state employees who work with housing programs and/or homeless individuals and/or families. Individuals with prior experience with Procurement Management Chair each Selection Committee.

Each Committee member first reads the RFR and each response and then scores each response individually. Then the Selection Committee meets as a group and arrives at a consensus evaluation of each response based on their individual reviews. After each Selection Committee completes an evaluation of all responses assigned to it and ranks each response, all Selection Committees are re-convened as a Procurement Management Team (PMT). The PMT then conducts a final review of the rankings and costs to determine which responses receive the highest rankings and should be recommended for selection to the Associate Director of the Housing Stabilization Division. The PMT recommendations are reviewed by the Associate Director. Upon approval, the Associate Director submits the Divisions recommendations to the Undersecretary of DHCD who makes the final determination of selections and awards.

DHCD announces the awards through written notification to both successful and unsuccessful RFR respondents. DHCD then negotiates with successful respondents as needed, executes contracts, and monitors the provider's activities to assist and ensure the provider's compliance with the terms of its contract. DHCD maintains oversight responsibilities for administration of ESG grants.

The RFR to implement the new Emergency Solutions Grant will be posted on Comm-PASS by DHCD March 27, 2012 to govern the distribution of ESG Funds. DHCD expects to award approximately \$5,654,052 which includes both the HUD FFY'2011 second ESG allocation, the ESG Grant for FFY'12, and approximately \$200,000 in carry-over funds. DHCD expects to award approximately \$1,949,400 for Shelter Support, \$1,704,652 for Homeless Prevention Services and \$2,000,000 for Rapidly Rehousing homeless individuals.

DHCD plans to continue conducting periodic ESG procurements in accordance with the regulations of its oversight agencies. These regulations are designed to ensure that competitive funding requests are evaluated fairly and in accordance with common selection criteria which is provided to potential bidders within the Request for Response (RFR) issuance. If additional or unexpended funds become available during the period governed by the procurement they may be awarded on an emergency basis for shelter support, homeless prevention, or rapid re-housing when sufficient emergency shelter capacity, homeless prevention services, or rapid rehousing assistance is needed but not otherwise available in a particular geographic area.

8. Homeless Participation Requirement

Not applicable

9. Performance Standards

The recipient must describe the performance standards for evaluating ESG activities, which must be developed in consultation with the Continuum(s) of Care

DHCD agrees with HUD that these standards will evolve over time. Therefore, we propose the standards below as a starting point for measuring success in the first year of Emergency Solutions Grant implementation:

- **Reduction in family and individual shelter entries.** This standard will primarily measure the success of prevention efforts, which are targeted toward households facing eviction. It will also capture some of the success in re-housing individuals, as fewer of them will be re-entering the shelter system. As noted above, ESG funds could provide eviction prevention services for an estimated maximum of 376 households. A lower bound of success rates proposed by CoCs is approximately 50 percent (188 households). If the shelter system houses roughly 5,000 households (families or individuals) on a given night, this figure is slightly less than 4 percent of the total. If re-housing leads to additional reductions in shelter entries, a conservative initial standard would therefore be a **4 percent overall reduction** in shelter entries during the next program year. Because there is a substantial additional commitment of state resources through programs such as HomeBASE and RAFT, DHCD believes it is reasonable to predict the actual reduction in shelter entries may be greater.
- **Reduction in shelter length of stay for individuals.** This standard will measure the success of rapid re-housing efforts funded under both new ESG activities as well as under the Shelter Supports category. Based on proposed HEARTH Act targets for high-performing CoC's, DHCD believes that a **4 percent average reduction** is a reasonable goal for the first year of this new program. Again, because of the additional commitment of VASH subsidies for homeless veterans,

state resources through programs such as Home and Healthy for Good, and supportive service subsidies for specific population it is also possible to expect a larger decline.

As described previously, DHCD solicited CoC and other stakeholder input on performance measures through meetings, questionnaires, and numerous follow-up conversations. The majority of CoCs agreed to these measures. DHCD expects that they will continue to evolve over time based on ongoing consultation and policy change at the state, regional, and local level. The principal benefit of these standards is that they can measure the effectiveness of specific service providers as well as overall homeless assistance system performance. However, it is important to remember that many other variables affect shelter entry and length of stay (for example, availability of employment and permanent housing) and any deviation from the above standards could be due to such factors.

10. Certifications

To be attached